

SOUTHEAST DAVIESS COUNTY WATER DISTRICT

3400 Bittel Rd
Owensboro, KY 42301
Phone : (270) 685-5594
Fax : (270) 683-6324

April 12, 2004

RECEIVED
APR 15 2004
PUBLIC SERVICE
COMMISSION

To : Mr. Thomas Dorman
Executive Director
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, KY 40602

Case 2004-00134

RE : Purchased Water Rate Adjustment

Mr. Dorman,

By letter dated March 12, 2004, we were notified that our wholesale supplier, Owensboro Municipal Utilities (OMU) will be increasing their rate charged to us from \$ 1.157 per 1,000 gallons to \$ 1.262 per 1,000 gallons effective June 1, 2004. As a result, we are submitting a purchased water adjustment to recover the additional water cost to the Southeast Daviess County Water District. Pages 1 - 3 is the information requested by the Public Service Commission for the rate adjustment. Pages 4 and 5 is the revised tariff sheets which pertain to the rate increase. Exhibit A is the before mentioned letter from OMU. Exhibit B is our calculation of how the increase will affect the rates to our customers. Exhibit C is the newspaper notice notifying our customers of the purchased water adjustment submitted to the Public Service Commission to be included in our local newspaper within the next couple of days. We will send the affidavit once we receive it from the newspaper.

If there are any questions, please contact our office.

Sincerely,


JAN KUEGEL
Manager

PURCHASED WATER ADJUSTMENT FOR
 WATER DISTRICTS AND ASSOCIATIONS
 (807 KAR 5:068)

RECEIVED
 APR 15 2004
 PUBLIC SERVICE
 COMMISSION

SOUTHEAST DAVIESS COUNTY WATER DISTRICT
 (Name of Utility)

4-12-04
 (Date)

3400 BITTEL RD
 (Address)

Case 2004-00134

OWENSBORO, KY 42301
 (City, State)

(270) 685-5594
 (Telephone Number)

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate shedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>OWENSBORO MUNICIPAL UTILITIES</u>	<u>\$ 1.157 / 1000</u> GALLONS	<u>\$ 1.262 / 1,000</u> GALLONS
_____	_____	_____
_____	_____	_____

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A .

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From APRIL 2003 through MARCH 2004
(month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>OWENSBORO MUNICIPAL UTILITIES</u>	<u>555,342,446</u>
_____	_____
_____	_____
TOTAL PURCHASES	<u>555,342,446</u>

4. Total sales for the 12 month period 520,626,510.

5. Increased water cost \$ 58,310.96.

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$ 0.11 PER 1,000 GALLONS

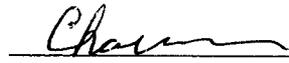
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date JUNE 1, 2004.



(Signature of Utility Officer)



(Title)

FOR Southeast Daviess County, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Sheet NO. 1

Southeast Daviess County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

Sheet NO. 1

RATES AND CHARGES

A. MONTHLY RATES:

Non Users	\$ 5.34
First 2,000 Gallons	7.14 Minimum Bill
Next 8,000 Gallons	2.06 Per 1,000 Gallons
Next 10,000 Gallons	1.95 Per 1,000 Gallons
Next 20,000 Gallons	1.84 Per 1,000 Gallons
Over 40,000 Gallons	1.75 Per 1,000 Gallons

DATE OF ISSUE April 12, 2004
Month / Date / Year

DATE EFFECTIVE June 1, 2004
Month / Date / Year

ISSUED BY Joseph T. Elliott
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Southeast Daviess County, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Sheet NO. 5

Southeast Daviess County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

Sheet NO. 5

RATES AND CHARGES

E. PURCHASED WATER RATES:

	<u>Rate</u>
Owensboro Municipal Utilities	\$ 1.262 per 1,000 Gallons

F. WHOLESALE WATER RATES:

	<u>Rate</u>
City of Whitesville	\$ 1.50 per 1,000 Gallons
East Daviess County Water Association	\$ 1.50 per 1,000 Gallons

DATE OF ISSUE April 12, 2004
Month / Date / Year

DATE EFFECTIVE June 1, 2004
Month / Date / Year

ISSUED BY Joseph T. Elliott
Signature of Officer

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

EXHIBIT B

CALCULATION OF COST OF RATE INCREASE

		Sales	Gallons Purchased
Apr	2003	39,335,130	44,408,939
May		41,976,510	48,290,690
Jun		44,097,370	52,280,938
Jul		48,051,730	55,955,427
Aug		53,525,560	49,048,523
Sep		51,622,830	52,363,863
Oct		45,488,820	46,193,143
Nov		42,371,360	41,562,573
Dec		38,602,760	39,186,798
Jan	2004	39,738,940	42,649,835
Feb		39,043,430	38,555,162
Mar		36,772,070	44,846,555
		520,626,510	555,342,446

BASE RATE	\$	1.157
	x	1.091
NEW RATE	\$	1.262

Cost at changed rate

$$555,342,446 \times 1.262 \text{ per 1,000 gallons} = \$ 700,842.17$$

Cost at base rate

$$555,342,446 \times 1.157 \text{ per 1,000 gallons} = \$ 642,531.21$$

DIFFERENCE	\$ 58,310.96
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Proposed increase of water rates

$$\begin{array}{r}
 \$ 58,310.96 \quad / \quad 520,626,510 / 1000 \text{ gallons} \\
 = \quad \quad \quad \quad \quad \quad = \quad \quad \quad \quad \quad \quad 0.11 \text{ per 1,000 gallons}
 \end{array}$$

EXHIBIT C

**SOUTHEAST DAVIESS COUNTY WATER
DISTRICT RATE ADJUSTMENT
INCREASE**

In accordance with 807 KAR 5:068 and KRS 278:015, Southeast Daviess County Water District has applied for approval from the Kentucky Public Service Commission for a rate increase of 11 cents per 1,000 gallons of water effective June 1, 2004. The rate increase reflects the additional cost of water purchased from Owensboro Municipal Utilities. The change in rates will increase the average residential customer's water bill of 5,900 gallons from \$14.53 to \$15.17; an increase of 4.40%. The following rates are proposed:

Non User	\$ 5.34
First 2,000 gallons.....	\$ 7.14
Minimum bill	
Next 8,000 gallons.....	\$ 2.06
Per 1,000 gallons	
Next 10,000 gallons.....	\$ 1.95
Per 1,000 gallons	
Next 20,000 gallons.....	\$ 1.84
Per 1,000 gallons	
Over 40,000 gallons	\$ 1.75
Per 1,000 gallons	
Sales to other water districts.....	\$ 1.50
Per 1,000 gallons	

**JAN KUEGEL
MANAGER**